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WASHINGTON PARISH SHERIFF
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana

Annual Financial Report

Year Ended June 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-7-06

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

WASHINGTON PARISH SHERIFF
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
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June 30, 2005

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(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
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RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT

Honorable Aubrey Jones
Washington Parish Sheriff
Franklinton, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff, a component unit of the Washington Parish Government, as of and for the year ended June 30, 2005, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Washington Parish Sheriff's management. My responsibility is to express opinions on these financial statements based on my audit.

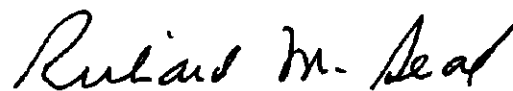
I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff as of June 30, 2005, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 22, 2006 on my consideration of the Washington Parish Sheriff's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 4 through 12 and the budgetary comparison schedule on page 37 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Washington Parish Sheriff's basic financial statements. The other supplemental information on pages 38 through 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, I express no opinion.



Certified Public Accountant

Bogalusa, Louisiana
May 22, 2006

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Management's Discussion and Analysis (Unaudited)

This section of the Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2005.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$369,024 for the fiscal period reported. This represents an increase in net assets of \$127,059.

For the fiscal year ending 6/30/05 compared to the previous year, the total revenues of \$5,082,762 represent an increase of \$103,378. This increase was due to an increase in both sales and property tax collections. Expenses were tightly controlled and decreased by \$113,829. This is a decrease in expenses of 2.2%. Expenses for the last 2 years combined decreased by a total of \$411,793.

The Sheriff's office is continuing to work to improve its financial position through careful budget monitoring, a more aggressive approach in sales tax collection and auditing, as well as actively pursuing new grants to enhance its revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts—management's discussion and analysis (this section), the basic financial statements, required supplemental information, an optional section that presents combining statements for nonmajor funds, and other reports. The basic financial statements include two kinds of statements that present different views of the Sheriff:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the sheriff department, reporting the Sheriff's operations in more detail than the government-wide statements.

The government funds statements tells how general government services like public safety were financed in the short term as well as what remains for future spending.

Fiduciary fund statements provide information about the financial relationships in which the Sheriff acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by a section of required supplemental information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section of supplemental information with combining statements that provide details about our nonmajor governmental funds and fiduciary funds.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net assets and how they have changed. Net assets—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

Over time, increases or decreases in the Sheriff's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Sheriff's Department you need to consider additional nonfinancial factors such as changes in the Sheriff's property tax base and the condition of the Sheriff's equipment.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Sheriff's most significant funds—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary funds are used to report taxes, fines, and fees collected for other taxing bodies located in our parish, deposits pending court action, and the individual prison inmate accounts. We exclude these activities from the government-wide statements because the Sheriff cannot use these assets to finance its operations.

The accompanying notes to the financial statement provide information essential to a full understanding of the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general and special revenue fund. These schedules demonstrate compliance with the Sheriff's adopted and final revised budget.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented the new financial reporting model used in this report beginning with the fiscal year ending June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's net assets at June 30, 2005 are \$369,034.

Summary of Net Assets

	Governmental Activities 6/30/2005	Percent Totals	Governmental Activities 6/30/2004	Percent Totals
Assets				
Current assets	548,305	81%	494,654	72%
Capital assets	<u>128,738</u>	<u>19%</u>	<u>195,358</u>	<u>28%</u>
Total assets	<u>677,043</u>	<u>100%</u>	<u>690,012</u>	<u>100%</u>
Liabilities				
Current liabilities	284,755	92%	416,615	93%
Long-term liabilities	<u>23,264</u>	<u>8%</u>	<u>31,432</u>	<u>7%</u>
Total liabilities	<u>308,019</u>	<u>100%</u>	<u>448,047</u>	<u>100%</u>
Net assets:				
Investment in capital assets, net of debt	105,474		195,358	
Unrestricted	<u>263,550</u>		<u>46,607</u>	
Total net assets	<u>369,024</u>		<u>241,965</u>	

Overall, the Sheriff's office reports net assets of \$369,024. The Sheriff's office has \$105,474 invested in capital assets. Current assets exceed current liabilities by \$263,550.

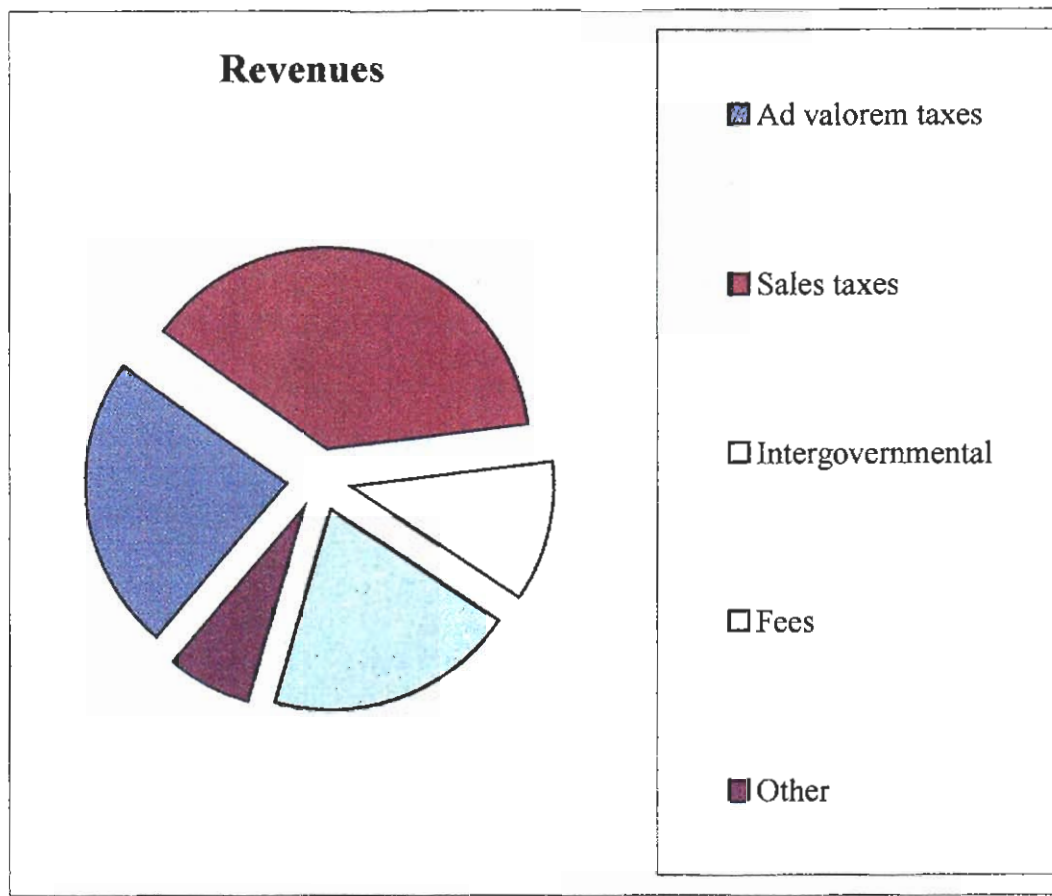
The current ratio is a tool used to assess the ability of the Sheriff to pay or meet short-term obligations. The current ratio is equal to current assets divided by current liabilities.

$$\text{Current Ratio (Sheriff)} = \frac{\text{Current Assets } \$548,305}{\text{Current Liabilities } \$284,755} = 1.93$$

Therefore, the current ratio for the year ended June 30, 2005 is 1.93 to 1.

Summary of Changes in Net Assets

	Governmental Activities 6/30/2005	Percent Totals	Governmental Activities 6/30/2004	Percent Totals
Revenue				
Program:				
Charges for services/fines	\$1,549,854	30%	\$ 1,473,284	29%
Operating grants and contributions	184,127	4%	235,476	5%
Capital grants and contributions	15,132	0%	45,847	1%
General:				
Sales taxes	1,954,431	38%	1,892,431	37%
Property taxes	1,227,927	24%	1,187,859	23%
State revenue sharing	128,644	3%	128,405	3%
Interest	4,729	0%	303	0%
Miscellaneous	17,918	0%	15,779	0%
Total Revenues	<u>5,082,762</u>	100%	<u>4,979,384</u>	98%
Program expenses:				
Public safety	<u>4,955,703</u>		<u>5,069,532</u>	
Total expenses	<u>4,955,703</u>		<u>5,069,532</u>	
Change in net assets	127,059		(90,148)	
Beginning net assets	<u>241,965</u>		<u>332,113</u>	
Ending net assets	<u>\$ 369,024</u>		<u>\$ 241,965</u>	

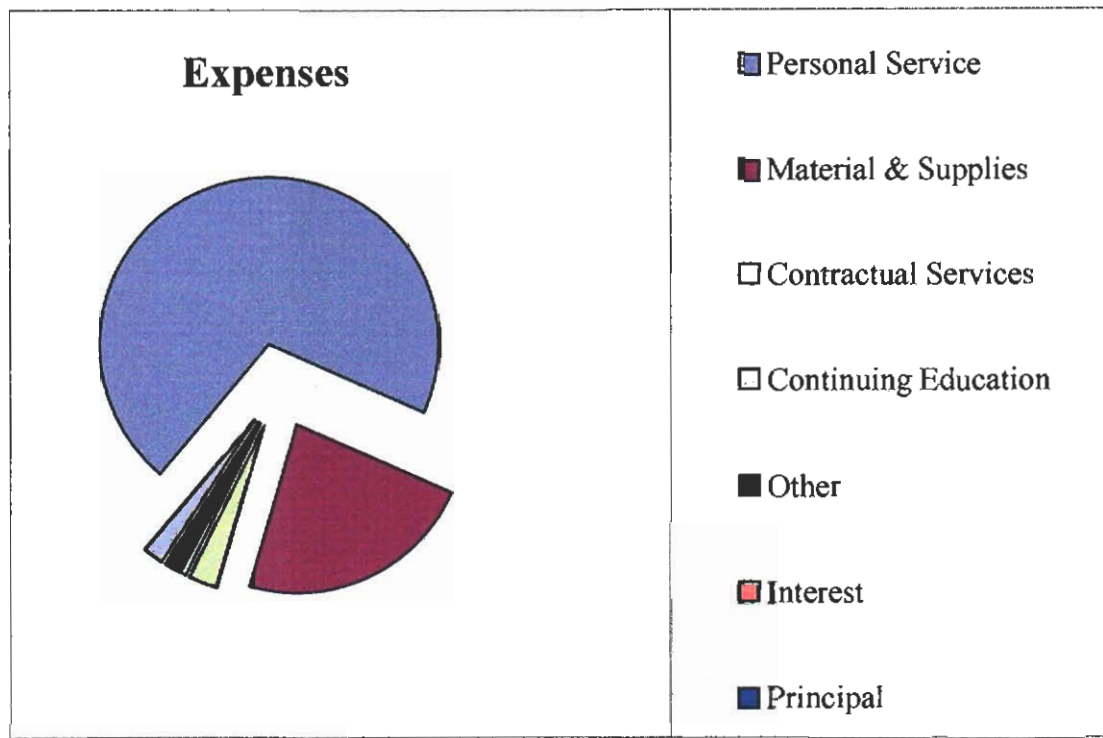


GOVERNMENTAL REVENUES

The Sheriff is heavily reliant on property taxes and sales taxes to support its operation. Property taxes provided 24% of the Sheriff's total revenues. Sales taxes provided 38% of the Sheriff's total revenues. Also, note that program revenues covered 35% of governmental expenses. This means that the government's taxpayers, in the form of property and sales taxes, and the Sheriff's other general revenues funded 65% of its operation.

The Washington Parish Sales/Use Tax Centralization Commission voted to renew the Sales tax collection contract with the Sheriff's office. The contract was signed July 1, 2004 giving the Sheriff's office a 5-year renewal for sales and use tax collections. This will allow the Sheriff to receive a commission of 1.5% of sales tax collections.

The anticipated revenue stream from this commission is in excess of \$200,000 per year. The Sheriff is responsible for all tax collections as well as the performance of sales and use tax audits. The aggressive collection of sales tax is a benefit for all parish agencies.



GOVERNMENTAL EXPENSES

The majority of the expenditures of the Sheriff's office are for the purpose of public safety. The public safety expenditures include amounts related to the Sheriff serving as Ex-Officio Tax Collector in Washington Parish. Overall, expenses decreased by \$172,006. This is a decrease of 3.4%.

MAJOR GOVERNMENTAL FUNDS

General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$201,826. In fiscal year 2005, revenue from grants decreased by \$75,157. This was due to the expiration of some grants as well as the renewal of other grants at a lower amount. A decrease in expenses of \$172,006 offset this decrease in revenue. Property tax revenue increased by \$40,068 while sales tax revenue increased by \$62,000 for the fiscal year.

BUDGETARY HIGHLIGHTS

When the original budget was adopted, it was anticipated that the total revenues were going to be exceed the previous fiscal year by \$228,000 mainly due to an increase in tax collections. The final budget reflected a decrease in expenses of \$220,000 from the previous year. Aggressive fiscal management has allowed the Sheriff's Office to accomplish this decrease despite:

- An increase in fuel costs
- An increase in personnel benefit costs
- An increase in automobile maintenance costs
- An increase in automobile insurance costs
- An increase in employee liability coverage

CAPITAL ASSETS

At June 2005 the Sheriff had depreciable assets with a historic cost of \$802,565. The accumulated depreciation on these assets is \$673,827. The net capital assets are \$128,738. The book value of the assets at June 30, 2005 is 16% with 84% of the original cost already depreciated.

	Balance 6/30/2004	Increases	Decreases	Balance 6/30/2005
Governmental activities				
Capital assets being depreciated:				
Vehicles	499,200	3,500		502,700
Furniture & Equipment	124,465	5,332		129,797
Other capital assets	166,218	3,850		170,068
Total capital assets being depreciated	789,883	12,682	-	802,565
Less accumulated depreciated for:				
Vehicles	(397,477)	(49,031)		(446,508)
Furniture & Equipment	(86,872)	(12,869)		(99,741)
Other capital assets	(110,176)	(17,402)		(127,578)
Total accumulated depreciation	(594,525)	(79,302)		(673,827)
Governmental activities capital assets, net	195,358	(66,620)	-	128,738

CAPITAL LEASES/DEBT

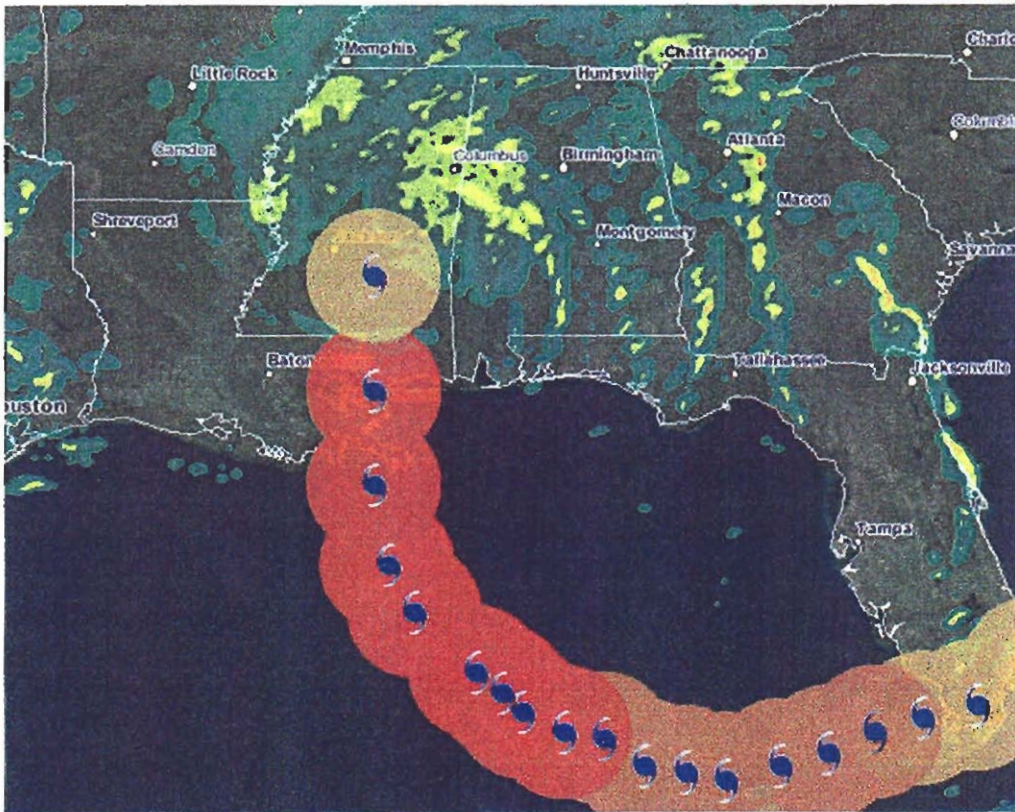
The sheriff records assets acquired through capital leases as an asset and an obligation in the accompanying financial statements. Copying and postage equipment costing \$43,544.33 have been acquired through capital leases. The following is a schedule of future minimum lease payments.

June 30, 2006	\$	9,522
June 30, 2007		8,284
June 30, 2008		8,172

Minimum lease payments for capital leases		25,978
Less: Amounts representing interest		(2,714)

Present value of minimum lease payments	\$	23,264

The portion of liabilities due within one year is \$7,989 and the portion of liabilities due after one year is \$15,275.



SUBSEQUENT EVENTS

On the morning of August 29, 2005 Hurricane Katrina struck making landfall on the eastern side of the state of Louisiana. The eye of the storm crossed over the eastern edge of Washington Parish and the state of Mississippi. The eye of the storm passed precipitously close to the city of Bogalusa. The entire parish received substantial wind damage.

The Washington Parish Sheriff's Office responded heroically during and after the storm. This resulted in a tremendous increase in costs to the Sheriff's Office over the two months following the storm. Several of our buildings sustained roof and water damage resulting in substantial losses.

Our losses and storm related expenses were covered either by insurance or by FEMA. At the date of this report we have not fully received all monies due from FEMA, but have been assured the remaining payments are forthcoming.

The federal government declared Washington Parish eligible for Community Disaster Loans. The Sheriff's Office was issued a line of credit in the amount of \$1,172,000. The purpose of the loan is to cover any additional costs the Sheriff's Office may incur in respect to the storm, and also in anticipation of any lost sales and property tax revenues.

As a direct result of the storm and also the ensuing time demands in pursuing FEMA reimbursements, the state Legislative Auditor has provide an extension on the due date of our audit.

RESOLUTION OF SALES TAX ISSUE

On August 3, 1992, the voters of Washington Parish approved (for an indefinite period) a one-half percent sales tax to be effective January 1, 1993. The wording of the sales tax proposition on the voting machine dedicated various percentages to the net sales tax proceeds to certain specific uses. One of those specific uses was "Forty (40) percent to the purchase, maintenance, and support of law enforcement vehicles and equipment".

In the opinion of the Sheriff's office attorney at the time of the passage of this tax, "support" included the salary and related personnel benefits of the deputies driving the vehicles. This was the understanding when the 40% rate of dedication was agreed to. Subsequently in August of 2003, the Attorney General rendered an opinion that the use of the dedicated funds to pay salaries is not included in the definition of "support". A large portion of this money was being used to pay the salaries of those who drive the vehicles. Based on this opinion, the Sheriff's office was not in compliance with the sales tax dedication.

In November of 2005, the voters of Washington Parish voted to change the 40% rate of dedication to 20%. For the year ending June 30, 2005 we are in compliance with this revision.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Sheriff's office at 985-839-4468 ext. 118.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

WASHINGTON PARISH SHERIFF

Franklinton, Louisiana

Statement of Net Assets

June 30, 2005

ASSETS

Cash and cash equivalents	\$ 139,644
Receivables	402,634
Prepaid expenses	6,027
Capital assets, net of accumulated depreciation	<u>128,738</u>
Total assets	<u>677,043</u>

LIABILITIES

Accounts payable	\$ 92,963
Salaries and benefits payable	146,005
Accrued vacation leave	45,787
Capital leases payable:	
Due within one year	7,989
Due after one year	<u>15,275</u>
Total liabilities	<u>308,019</u>

NET ASSETS

Invested in capital assets, net of related debt	105,474
Unrestricted	<u>263,550</u>
Total net assets	<u>\$ 369,024</u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Activities
For the Year Ended June 30, 2005

	Program revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Fees, Fines, & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental activities:					
Public Safety	\$ 4,955,703	\$ 1,549,854	\$ 184,127	\$ 15,132	\$ (3,206,590)
Total	<u>4,955,703</u>	<u>1,549,854</u>	<u>184,127</u>	<u>15,132</u>	<u>(3,206,590)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,227,927
Sales and use taxes levied for special purposes					1,954,431
State revenue sharing					128,644
Interest					4,729
Miscellaneous					17,918
Total general revenues					<u>3,333,649</u>
Change in net assets					127,059
Net assets-beginning					241,965
Net assets-ending					<u>\$ 369,024</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

WASHINGTON PARISH SHERIFF

Franklinton, Louisiana

Balance Sheet

Governmental Funds

June 30, 2005

	General Fund	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 135,366	\$ 4,278	\$ 139,644
Receivables	391,567	11,067	402,634
Due from other funds	15,345		15,345
Prepaid expenses	6,027		6,027
Total assets	<u>\$ 548,305</u>	<u>\$ 15,345</u>	<u>\$ 563,650</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 92,963	\$	\$ 92,963
Salaries and benefits payable	146,005		146,005
Due to other funds		15,345	15,345
Accrued vacation leave	45,787		45,787
Total liabilities	<u>284,755</u>	<u>15,345</u>	<u>300,100</u>
Fund balances:			
Unreserved, reported in:			
General fund	263,550		263,550
Special revenue funds		-	-
Total fund balances	<u>263,550</u>	<u>-</u>	<u>263,550</u>
Total liabilities and fund balances	<u>\$ 548,305</u>	<u>\$ 15,345</u>	

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements. \$ 128,738

Capital leases are long-term liabilities which are not reported in the fund financial statements. (23,264)

Net assets of governmental activities \$ 369,024

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

	General Fund	Other Governmental funds	Total
Revenues			
Ad valorem taxes	\$1,227,927	\$	\$1,227,927
Sales taxes	1,954,431		1,954,431
Intergovernmental revenues:			
Federal grants	64,968	50,260	115,228
State grants	95,452		95,452
State revenue sharing	128,644		128,644
State supplemental pay	138,849		138,849
Fees, charges and commissions for services:			
Commissions	422,717		422,717
Civil and criminal fees	151,290		151,290
Feeding and keeping prisoners	495,651		495,651
Interest	4,604	125	4,729
Other revenues	322,235	7,691	329,926
Total revenues	<u>5,006,768</u>	<u>58,076</u>	<u>5,064,844</u>
Expenditures			
Current:			
Public Safety:			
Personal services	3,388,418	57,185	3,445,603
Materials and supplies	1,221,951	1,170	1,223,121
Contractual services	129,289		129,289
Continuing education	26,434		26,434
Other		9,816	9,816
Interest	17,548		17,548
Debt service:			
Principal	8,164		8,164
Interest	3,000		3,000
Capital outlay	28,056	6,220	34,276
Total expenditures	<u>4,822,860</u>	<u>74,391</u>	<u>4,897,251</u>

(Continued)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

	General Fund	Other Governmental funds	Total
Excess (deficiency) of revenues over expenditures	\$ 183,908	\$ (16,315)	\$ 167,593
Other Financing Sources (Uses)			
Sale of surplus equipment	17,918		17,918
Total other financing sources	17,918	-	17,918
Net change in fund balances	201,826	(16,315)	185,511
Fund balances-beginning	61,724	16,315	78,039
Fund balances-ending	<u>\$ 263,550</u>	<u>\$ -</u>	<u>\$ 263,550</u>

(Concluded)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2005

Net change in fund balances—total governmental funds	\$ 185,511
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$79,302) exceeded capital outlays (\$12,682) in the current period.

(66,620)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

8,168

Change in net assets of governmental activities

\$ 127,059

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2005

	<u>Agency Funds</u>
ASSETS	
Cash	\$900,137
Accounts receivable	<u>10,772</u>
 Total Assets	 <u><u>\$910,909</u></u>
 LIABILITIES	
Liabilities:	
Held for other taxing bodies	\$808,907
Held for others pending court action	83,939
Held for inmates	<u>18,063</u>
 Total Liabilities	 <u><u>\$910,909</u></u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2005

INTRODUCTION

As provided by Article V, Section 27 of Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court. The Sheriff is also contracted to be the sole tax collector for the collection and distribution of sales tax throughout the parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Sheriff is an independently elected official; however, the Sheriff is fiscally dependent on the Washington Parish Government. The parish government owns and maintains the building in which the Sheriff's office and jail is located and provides funds for equipment and furniture of the Sheriff's office. Because the Sheriff is fiscally dependent on the parish government, the Sheriff was determined to be a component unit of the Washington Parish Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

B. Basis of Presentation

The accompanying basic financial statements of the Washington Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Sheriff. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental funds is at least ten percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental fund:

The General Fund is the primary operating fund of the Sheriff. It accounts for all the financial resources except those that are required to be accounted for in other funds.

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as well as, the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized in the month the sale occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

D. Budget Practices

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least 10 days prior to the public hearing. Public hearings are held at the Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary.

Neither encumbrances accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. Investments

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

G. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Furniture and equipment	5 years
Other capital assets	5 years

H. COMPENSATED ABSENCES

The Sheriff's department adopted the following policy regarding vacation and sick leave effective January 1, 2003:

Vacation: does not accumulate, is paid on termination, and accrues as follows:

	<u>8 hour days</u>	<u>12 hour days</u>
• 1-4 years of service	- 80 hours	- 84 hours
• 5-6 years of service	- 96 hours	- 108 hours
• 7-9 years of service	- 112 hours	- 132 hours
• 10+ years of service	- 120 hours	- 144 hours
• 15+ years of service	- 160 hours	- 168 hours

Sick leave: does accumulate without limitation, is not paid on termination, and accrues at the rate of 4.62 hours per pay period (26 in a year).

I. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

J. Sales Taxes

On October 3, 1992, the voters of Washington Parish approved (for an indefinite period) a ½ percent sales tax to be effective January 1, 1993. The sales and use tax was collected and remitted to the Sheriff by an independent collecting agent for a monthly fee for the year ended June 30, 1996. Beginning July 1, 1996 the Sheriff

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

began collecting the tax as the central sales tax collection agency for Washington Parish. The net proceeds of the tax were dedicated to the following exclusive uses:

- ◆ Forty (40) percent to the salaries of criminal law enforcement deputies.
- ◆ Twenty (20) percent to the support of criminal law enforcement deputies, including the hiring and training of additional criminal law enforcement personnel, consisting of criminal patrol deputies, juvenile officers, burglary and narcotics detectives.
- ◆ Forty (40) percent to the purchase, maintenance and support of law enforcement vehicles and equipment.

On November 13, 2005, the voters rededicated the sales tax as follows:

- ◆ Forty (60) percent to the salaries of criminal law enforcement deputies.
- ◆ Twenty (20) percent to the support of criminal law enforcement deputies, including the hiring and training of additional criminal law enforcement personnel, consisting of criminal patrol deputies, juvenile officers, burglary and narcotics detectives.
- ◆ Forty (20) percent to the purchase, maintenance and support of law enforcement vehicles and equipment.

K. Ad Valorem

The following is a summary of authorized and levied ad valorem taxes.

	<u>Levied Millage</u>	<u>Expiration Date</u>
General operations	10.96	Indefinite

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

WASHINGTON PARISH SHERIFF**Notes to the Financial Statements(Continued)****2. CASH AND CASH EQUIVALENTS**

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank in the entity's name. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount on deposit with the bank.

At June 30, 2005, the carrying amount of the Washington Parish Sheriff's deposits was \$1,039,680, and the bank balance was \$1,180,431. Of the \$1,180,431, approximately \$200,000 was covered by FDIC insurance, \$1,283,477 of pledged securities, and \$1,200,000 of Federal Home Loan Bank of Dallas letter of credit held by the custodial bank in the name of the fiscal agent bank.

3. RECEIVABLES

The receivables of \$402,634 at June 30, 2005, follow:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Sales tax	\$ 183,613	\$	\$ 183,613
Sales tax commission	20,389		20,389
State prisoner feeding	34,190		34,190
Parish prisoner feeding	25,743		25,743
State grants	25,442		25,442
Prisoner medical reimbursement	20,000		20,000
Salaries - security	32,547		32,547
Unemployment refund	17,190		17,190
Ad valorem tax	8,478		8,478
Federal grants	5,636	11,067	16,703
Prisoner transportation	3,290		3,290
Court attendance	3,094		3,094
Telephone reimbursement	2,299		2,299
Telephone commission	7,245		7,245
Miscellaneous	2,411		2,411
Total	<u>\$ 391,567</u>	<u>\$ 11,067</u>	<u>\$ 402,634</u>

4. INTERFUND RECEIVABLES/PAYABLES

Individual balances due from/to other funds at June 30, 2005 follow:

WASHINGTON PARISH SHERIFF**Notes to the Financial Statements(Continued)**

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 15,345	\$
Special Revenue Funds:		
Drug Task Force		15,345
Total	<u>\$ 15,345</u>	<u>\$ 15,345</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2005, follow:

	<u>Balance 06/30/04</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/05</u>
Governmental activities:				
Capital assets being depreciated:				
Vehicles	499,200	3,500		502,700
Furniture and equipment	124,465	5,332		129,797
Other capital assets	166,218	3,850		170,068
Total capital assets being depreciated	789,883	12,682	—	802,565
Less accumulated depreciation for:				
Vehicles	(397,477)	(49,031)		(446,508)
Furniture and equipment	(86,872)	(12,869)		(99,741)
Other capital assets	(110,176)	(17,402)		(127,578)
Total accumulated depreciation	(594,525)	(79,302)	—	(673,827)
Governmental activities capital assets, net	<u>\$ 195,358</u>	<u>\$ (66,620)</u>	<u>\$ —</u>	<u>\$ 128,738</u>

6. PENSION PLAN

Plan Description. Substantially all employees of the Washington Parish Sheriff's Office are members of the Sheriff's Pension and Relief Fund ("System"), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All Sheriffs, all deputies, and non-deputized employees who are found to be physically fit and 18 years of age or older, who earn at least \$400 per month, if employed after September 7, 1979 and before January 1, 1991, \$550 per month, if employed between January 1, 1991 and December 31, 1999, or \$800 per month

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

if employed after January 1, 2000 are required to participate in the System. Benefits are computed at 3 $\frac{1}{3}$ % for each year of creditable service, including purchased military or prior service. Members are eligible to retire at or after age 55 with at least 12 years of credited service. Members with 20 or more years of service are eligible for an actuarially reduced benefit at age 50. In any average case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802, or by calling (225) 219-0521.

Funding Policy. Plan members are required by state statute to contribute 9.8% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The sheriff's contributions to the System for the years ending June 30, 2005, 2004, and 2003, were \$243,522, \$228,920, and \$216,477, respectively, equal to the required contributions for each year.

7. POST-RETIREMENT BENEFITS

The Washington Parish Sheriff provides certain continuing health care benefits for retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff. These benefits for retirees and similar benefits for active employees are provided through the Sheriff's General Fund. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 2005, the Sheriff expended \$461,770 for health care and life insurance benefits. Included in this total is \$29,812 of health care benefits paid for retirees. As of June 30, 2005, there were 12 retirees and 118 active employees.

WASHINGTON PARISH SHERIFF**Notes to the Financial Statements(Continued)****8. SHORT-TERM DEBT**

The Sheriff uses a revolving line of credit to finance general operations during periods of uneven ad valorem and sales tax collection.

Short-term debt activity for the year ended June 30, 2005, follow:

	Beginning Balance	Draws	Repayments	Ending Balance
Line of Credit	\$ 0	\$ 675,000	\$ 675,000	\$ 0

9. CAPITAL LEASES

The Sheriff records items under capital leases as an asset and an obligation in the accompanying government-wide financial statements. Copying and postage equipment costing \$43,544.33 have been acquired through capital leases. The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2005:

June 30, 2006	\$ 9,522
June 30, 2007	8,284
June 30, 2008	<u>8,172</u>
Total minimum lease payments	25,978
Less:	
Amounts representing interest	<u>(2,714)</u>
Present value of net minimum lease payments	<u>\$ 23,264</u>

10. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2005:

	Capital Leases	Total
Amount owed 06/30/04	\$ 31,432	\$ 31,432
Additions	—	—
Deletions	<u>(8,168)</u>	<u>(8,168)</u>
Amount owed 06/30/05	<u>\$ 23,264</u>	<u>\$ 23,264</u>

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of capital leases payable as of June 30, 2005:

	<u>Capital Leases</u>
Current portion	\$ 7,989
Long-term portion	<u>15,275</u>
Total	<u>\$ 23,264</u>

11. OPERATING LEASES

The Sheriff leases office space, motor pool facilities, and certain equipment under non-cancelable operating leases. Future minimum rental payments required under operating leases that have non-cancelable lease terms in excess of one year follow:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
June 30, 2006	\$ 19,700	\$ 1,350	\$ 21,050
June 30, 2007	14,550		14,550
June 30, 2008	<u>8,500</u>		<u>8,500</u>
Total	<u>\$ 42,750</u>	<u>\$ 1,350</u>	<u>\$ 44,100</u>

12. JOINT VENTURE

The Sheriff of Washington Parish together with the City of Bogalusa Police Department comprise the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the task force are funded by federal grants from the United States Department of Justice through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, together with contributions from the two law enforcement agencies.

13. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

The Sheriff's office occupies various facilities owned by the Parish. The cost of maintaining and operating these facilities, as required by Louisiana Revised Statute 33:4715, is paid by the Washington Parish Council.

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

14. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, and natural disasters. To handle such risk of loss, the Sheriff maintains commercial insurance coverage automobile liability, medical payments, uninsured motorist, and surety bond coverage. The Washington Parish Sheriff participates in the Louisiana Sheriff's Law Enforcement Program to provide excess liability insurance and law enforcement professional liability insurance. During the year ended June 30, 2005, the Sheriff has paid \$100,448 for automobile coverage and \$110,686 for professional liability coverage. No claims were paid in the last three years that exceeded the policies' coverage amount. There have been no significant reductions in the insurance coverage during the year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

15. LITIGATION AND CLAIMS

At June 30, 2005, the Sheriff is involved in a number of lawsuits. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

16. CONTINGENT LIABILITY

The Sheriff receives funds from a number of state and federally-assisted grants. Audits of these grants could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Sheriff's management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

17. CHANGES IN AGENCY FUND BALANCES

A summary of changes in unsettled balances due to taxing bodies and others follows:

	Sheriff's Fund	Tax Collector Fund	Sales Tax Collector Fund	Inmate Fund	Total
Balance at 07/01/04	\$ 77,630	\$ 892,522	\$ 14,378	\$ 10,982	\$ 995,512
Additions	1,058,887	14,774,674	16,121,554	141,646	32,096,761
Deductions	1,052,578	14,875,332	16,118,889	134,565	32,181,364
Balance at 06/30/05	<u>\$ 83,939</u>	<u>\$ 791,864</u>	<u>\$ 17,043</u>	<u>\$ 18,063</u>	<u>\$ 910,909</u>

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

18. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others at June 30, 2005, include taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$599,126. These monies are held in escrow pending resolution of the protest.

19. POSSIBLE MISAPPROPRIATION OF FUNDS

At the request of the Washington Parish Sheriff, the Louisiana State Police is investigating a possible misappropriation of funds by an employee. If funds have been misappropriated, it is not expected to have a material effect on these financial statements.

20. SUBSEQUENT EVENTS

On August 29, 2005, Hurricane Katrina made landfall on the eastern side of the state of Louisiana. The eye of the storm crossed over the eastern edge of Washington Parish. The entire parish received substantial wind damage. It is anticipated that all storm related expenses of the Sheriff's Office will be reimbursed by either insurance or FEMA.

The federal government declared Washington Parish eligible for Community Disaster Loans. The Sheriff's Office was issued a line of credit in the amount of \$1,172,000. The purpose of the loan is to cover any additional costs the Sheriff's Office may incur in respect to the storm, and also in anticipation of any lost sales and property tax revenues.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-				
Ad valorem	\$1,200,000	\$1,200,000	\$ 1,227,927	\$ 27,927
Sales	1,900,000	1,900,000	1,954,431	54,431
Intergovernmental-				
Federal grants	260,000	260,000	64,968	(195,032)
State funds-				
State grants	-	-	95,452	95,452
State revenue sharing(net)	128,000	128,000	128,644	644
Other	140,000	140,000	138,849	(1,151)
Fees, charges, etc.	875,000	875,000	1,069,658	194,658
Other	260,000	260,000	326,839	66,839
Total revenues	<u>4,763,000</u>	<u>4,763,000</u>	<u>5,006,768</u>	<u>243,768</u>
EXPENDITURES				
Current-				
Public safety:				
Personal services	3,428,000	3,428,000	3,388,418	39,582
Material and supplies	1,100,000	1,100,000	1,221,951	(121,951)
Contractual	130,000	130,000	129,289	711
Continuing education	25,000	25,000	26,434	(1,434)
Interest expense	20,000	20,000	17,548	2,452
Debt service	-	-	11,164	(11,164)
Capital outlay	75,000	75,000	28,056	46,944
Total expenditures	<u>4,778,000</u>	<u>4,778,000</u>	<u>4,822,860</u>	<u>(44,860)</u>
Excess (deficiency) of revenues over expenditures	(15,000)	(15,000)	183,908	198,908
OTHER FINANCING SOURCES(USES)				
Sale of fixed assets	15,000	15,000	17,918	2,918
Total other financing sources(uses)	<u>15,000</u>	<u>15,000</u>	<u>17,918</u>	<u>2,918</u>
Net change in fund balance	-	-	201,826	201,826
Fund balance, beginning	<u>175,167</u>	<u>175,167</u>	<u>61,724</u>	<u>(113,443)</u>
Fund balance, ending	<u>\$ 175,167</u>	<u>\$ 175,167</u>	<u>\$ 263,550</u>	<u>\$ 88,383</u>

See accompanying auditor's report.

OTHER SUPPLEMENTAL INFORMATION

WASHINGTON PARISH SHERIFF

Franklinton, Louisiana

Nonmajor Governmental Fund

For the Year Ended June 30, 2005

DRUG TASK FORCE

The Sheriff of Washington Parish together with the City of Bogalusa Police Department comprise the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the task force are funded by a federal grant from the United States Department of Justice through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, together with a local match of 25% by the Sheriff.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Balance Sheet
Nonmajor Governmental Fund -
Special Revenue Fund
June 30, 2005

	<u>Drug Task Force</u>
ASSETS	
Cash	\$ 4,278
Grant receivables	<u>11,067</u>
 Total assets	 <u><u>\$15,345</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Due to other funds	\$15,345
 Fund balance	 <u>-</u>
 Total liabilities and fund balance	 <u><u>\$15,345</u></u>

See accompanying auditor's report.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Revenues,
Expenditures, and Changes in Fund Balance
Nonmajor Governmental Fund -
Special Revenue Fund
For the Year Ended June 30, 2005

	<u>Drug Task Force</u>
REVENUES	
Intergovernmental revenues:	
Federal grants	\$50,260
Seized funds	7,691
Interest	<u>125</u>
Total revenues	58,076
EXPENDITURES	
Public safety:	
Personal services	57,185
Materials and supplies	1,170
Other direct costs	9,816
Capital outlay	<u>6,220</u>
Total expenditures	74,391
Net change in fund balances	(16,315)
Fund balances, beginning of year	<u>16,315</u>
Fund balances, end of year	<u><u>\$ -</u></u>

See accompanying auditor's report.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Fiduciary Fund Type - Agency Funds
June 30, 2005

SHERIFF'S FUND

The Sheriff's Fund accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

SALES TAX COLLECTOR FUND

The sheriff was selected by the Washington Parish Sales and Use Tax Centralization Commission to collect all sales and use taxes (except auto dealers) in Washington Parish beginning July 1, 1996. This fund accounts for the collection of those taxes and the remittance thereof to the various taxing bodies.

INMATE FUND

The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentence.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Combining Statement of Fiduciary Assets and Liabilities -
Fiduciary Fund Type - Agency Funds
June 30, 2005

	SHERIFF'S FUND	TAX COLLECTOR FUND	SALES TAX COLLECTOR FUND	INMATE FUND	TOTAL
ASSETS					
Cash	\$ 75,335	\$ 791,864	\$ 14,875	\$ 18,063	\$ 900,137
Receivables	8,604		2,168		10,772
Total Assets	<u>\$ 83,939</u>	<u>\$ 791,864</u>	<u>\$ 17,043</u>	<u>\$ 18,063</u>	<u>\$ 910,909</u>
LIABILITIES					
Liabilities:					
Held for other taxing bodies	\$	\$ 791,864	\$ 17,043	\$	\$ 808,907
Held for others pending court action	83,939				83,939
Held for inmates				18,063	18,063
Total Liabilities	<u>\$ 83,939</u>	<u>\$ 791,864</u>	<u>\$ 17,043</u>	<u>\$ 18,063</u>	<u>\$ 910,909</u>

See accompanying auditor's report.

OTHER REPORTS

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Aubrey Jones
Washington Parish Sheriff
Franklinton, Louisiana

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff, a component unit of the Washington Parish Government, as of and for the year ended June 30, 2005, which collectively comprise the Washington Parish Sheriff's basic financial statements and have issued my report thereon dated May 22, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

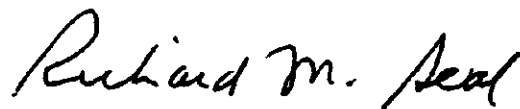
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Washington Parish Sheriff and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Account

Bogalusa, Louisiana
May 22, 2006

WASHINGTON PARISH SHERIFF
(A Component Unit of the Washington Parish Government)
Franklinton, Louisiana
Schedule of Findings
For the Year Ended June 30, 2005

I have audited the basic financial statements of Washington Parish Sheriff, a component unit of the Washington Parish Government, as of and for the year ended June 30, 2005, and have issued my report thereon dated May 22, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2005 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses [☐ Yes ☒ No Reportable Conditions [☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements [☐ Yes ☒ No

Section II Financial Statements Findings

There are no findings.

See accompanying auditor's report.

WASHINGTON PARISH SHERIFF
(A Component Unit of the Washington Parish Government)
Schedule of Prior-Year Findings
June 30, 2005

Ref No.	Fiscal Year Finding Initially Occurred	Description of Findings	Corrective Action Taken (Yes, No, Partially)
2004-1	2001	On August 3, 1992, the voters of Washington Parish approved (for an indefinite period) a ½ percent sales tax to be effective January 1, 1993. The wording of the sales tax proposition on the voting machine dedicated various percentages of the net sales tax proceeds to certain specific uses. One of those specific uses was: "Forty (40) percent to the purchase, maintenance, and support of law enforcement vehicles and equipment".	Resolved. On November 13, 2005 the voters rededicated the sales tax and reduced the 40% to 20%.

See accompanying auditor's report.